



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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August 17, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0730

Chris McCourt
SF Phosphates Ltd. Company
9401 North Highway 191
Vernal, Utah 84078-7802

Subject: Second Request - Five Year Review of Reclamation Surety Estimate, SF
Phosphates Ltd Co., Vernal Phosphates Mine, M/047/007, Uintah
County, Utah

Dear Mr. McCourt:

On May 25, 2004 the Division sent a notice to SF Phosphates Ltd Co. stating that we were performing a standard five-year review of your reclamation surety estimate to verify its accuracy and adequacy. Periodic adjustments to the surety are necessary to allow for the escalation of costs associated with the reclamation of the Vernal Phosphates Mine. We require that all reclamation surety cost estimates include a standard five-year escalation provision and be reviewed and updated every five years.

In our May 25, 2004 letter, we asked for certain updated information to assist us in performing our surety assessment for your mine site. To date, the Division has not received a reply addressing our initial request.

The periodic surety review for the Vernal Phosphates Mine is due in 2004. In order to accurately update the information concerning the reclamation of this site, updated maps showing current surface disturbances and surface facilities are necessary. A failure to furnish this information in a timely manner may lead to an enforcement action which could result in a temporary suspension of your operation, or other lawful penalties, until such time as the requested information is received.

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Chris McCourt
M/047/007
August 17, 2004

Please provide this information within the next 30 days, or no later than September 16, 2004. If you are unable to meet this timeframe, please contact the Division with justification for requesting additional time. Thank you for providing this information to assist us in our surety estimate review. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:DJ:jb
cc: Pete Sokolosky, BLM, Vernal FO
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